

HOW TO COMPLETE YOUR ANNUAL RENTAL MOTOR VEHICLE AND TOUR VEHICLE SURCHARGE TAX RETURN (FORM RV-3)

INTRODUCTION

The rental motor vehicle and tour vehicle surcharge tax (RV tax) contains two separate taxes with different tax rates. The rental motor vehicle surcharge tax is levied at the rate of \$3.00 per day or portion of a day on the lessor of any rental motor vehicle. The tour vehicle surcharge tax is imposed on tour vehicle operators for use of a vehicle on a monthly basis, or a portion of a month at the following rates:

1. \$65 - Over 25 passenger tour vehicle; and
2. \$15 - 8 to 25 passenger tour vehicle.

RV tax returns (Form RV-2) are filed monthly, quarterly, or semiannual basis depending on the amount of a person's tax liability. An annual return and reconciliation, (Form RV-3) summarizing activity for the past year also must be filed on or before the twentieth day of the fourth month following the close of the taxable year.

Taxpayers whose liability for the RV tax exceeds \$100,000 per year are required to pay the tax by Electronic Funds Transfer (EFT). These instructions will assist you in filling out your annual Rental Motor Vehicle and Tour Vehicle Surcharge Tax Return (Form RV-3) correctly.

The RV tax annual return and reconciliation (Form RV-3), is used to summarize your rental motor vehicle and tour vehicle surcharge tax activities for the taxable year. It may also be used to correct errors on the periodic tax returns (Form RV-2). If the total number of rental vehicles days, number of months for tour vehicles, taxes due, penalty and interest are accurately reported and paid in full on your periodic returns, no additional tax will be due on the annual return. Form RV-3 must be filed in addition to (not in lieu of) the periodic rental motor vehicle and tour vehicle surcharge tax returns.

If you had no activity for the entire year, enter "0" on lines 8 and 17. Please note that this return must be filed.

The annual tax return must be filed on or before the 20th day of the 4th month following the close of the taxable year. For example, if you are a calendar-year taxpayer (i.e., your tax year ends on December 31), then your annual tax return must be filed on or before April 20 of the following year.

To properly enter the necessary information into our computer system, the annual tax return must be filled in completely and accurately.

If a payment is being made with Form RV-3, make your check or money order payable to "Hawaii State Tax Collector." Write "RV", the filing period, and your Hawaii Tax I.D. No. on the check. Also complete the appropriate tax payment voucher (if you are using a preprinted form from your rental motor vehicle and tour vehicle surcharge tax return booklet, complete Form VP-1R for the appropriate filing period (CAUTION: do not submit a photocopy of Form VP-1R); if you are not using a preprinted form, complete Form VP-1). Attach your check or money order and the appropriate tax payment voucher where indicated on the front of Form RV-3.

If you are unable to file the annual return by the due date, you may request an extension to file Form RV-3 by filing Form RV-7, Application for Extension of Time to File the Annual Return and Reconciliation Rental Motor Vehicle and Tour Vehicle Surcharge Tax (Form RV-3). For more information, see Form RV-7.

If you have any questions, please contact the customer service staff of our Taxpayer Services Branch at:

Voice: 808-587-4242
1-800-222-3229 (Toll-Free)

Telephone for the Hearing Impaired:
808-587-1418
1-800-887-8174 (Toll-Free)

Fax: 808-587-1488

E-mail: Taxpayer.Services@hawaii.gov

Mail: Taxpayer Services Branch
P.O. Box 259
Honolulu, HI 96809-0259

FILLING IN YOUR FORM RV-3 (ANNUAL RETURN AND RECONCILIATION)

Follow the example presented in *italics* for a sample of how to fill out the form. The circled numbers on the sample form correspond to the steps in the instructions.

Example: A taxpayer, BTK Rentals and Tour Vehicles (BTK), with Hawaii Tax I.D. No. W12345678-01, files its annual return for the taxable year. BTK has twenty rental cars, two tour vehicles (8-25 passenger), and one tour vehicle (40 passenger) on Oahu. BTK also has ten rental cars on Maui. The twenty cars on Oahu were rented for a total of 7,100 rental days of which 200 rental days were to lessees whose vehicles were being repaired. The ten cars on Maui were rented for a total of 3,240 rental days. Of the two tour vehicles on Oahu, one was out of service for two months, otherwise both tour vehicles were in service for at least a portion of each month, giving BTK a total of 22 "tour vehicle-months." The tour vehicle was in service for all 12 months, for a total of 12 "tour vehicle-months."

THE TOP OF THE TAX RETURN (fig. 3.0)

STEP 1 — If you are a calendar year taxpayer and the year is not printed on the form, write the year in the area provided. If you are a fiscal year taxpayer, enter the month, day, and year your fiscal year ends.

STEP 2 — If your name (i.e., the taxpayer's name printed on the license) is not printed on the form, write it in the area provided.

STEP 3 — If your Hawaii Tax I.D. No. is printed on the form, make sure it is correct. If the preprinted number is incorrect, cross the number out, and write in the correct number. If the number is not printed on the form, write it in the area provided.

STEP 4 — If the last 4 digits of your FEIN or SSN are printed on the form, make sure they are correct. If the preprinted numbers are incorrect, cross the numbers out, and write in the correct numbers. If the numbers are not printed on the form, write them in the area provided.

FORM RV-3 (REV. 2005)	STATE OF HAWAII — DEPARTMENT OF TAXATION RENTAL MOTOR VEHICLE AND TOUR VEHICLE SURCHARGE TAX ANNUAL RETURN & RECONCILIATION FOR CALENDAR YEAR 20 <u>0</u> <u>6</u> OR FISCAL YEAR ENDING <u>1</u> / <u> </u> / <u> </u> MO DAY YR	DO NOT WRITE IN THIS AREA 98 3
NAME: <u>BTK Rentals and Tour Vehicles</u>		
LAST 4 DIGITS OF YOUR FEIN OR SSN: <u>1 2 3 4</u>		HAWAII TAX I.D. NO. W <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> - <u>0</u> <u>1</u>
COLUMN A		COLUMN B
COLUMN C		

fig. 3.0

COMPUTING THE TAXES (fig. 3.1)

STEP 5 — Complete Lines 1 through 4, Columns A through C, just as you did on your periodic tax returns. The difference between the periodic and annual tax returns is that the numbers reported on the annual tax return represent the total rental days, tour vehicle (8-25 passengers)-months, and tour vehicle (26 or more passengers)-months in the applicable districts for the entire year.

BTK had 6,900 net rental days for Oahu and has entered that figure in Column A, Line 1. BTK also had 3,240 rental days on Maui, and has entered that figure in Column A, Line 2. BTK had 22 tour vehicle (8-25 passengers)-months on Oahu, and has entered that figure in Column B, Line 1. In Column C, Line 1, BTK had 12 tour vehicle (40 passenger)-months on Oahu, and has entered that figure in Column C, Line 1.

The annual return is a reconciliation of the number of rental motor vehicle days, the number of tour vehicle (8-25 passengers)-months, and the number of tour vehicle (26 or more passengers)-months, in the applicable districts, with the numbers reported on the periodic tax returns. If an error was made on one or more of the periodic tax returns in reporting the number of rental days, the number of tour vehicle (8-25 passengers)-months, or the number of tour vehicle (26 or more passengers)-months, in the applicable districts, the annual tax return will correct the amounts reported on your periodic returns for the taxable year and show the amount of any additional taxes payable or refund due.

STEP 6 — Enter the totals for Lines 1 through 4 of Columns A through C in these spaces.

In Column A, Line 5, BTK has entered 10,140, the total number of rental motor vehicle-days. In Column B, Line 5, BTK has entered 22, the total number of tour vehicle (8-25 passengers)-months. In Column C, Line 5, BTK has entered 12, the total number of tour vehicle (40 passenger)-months.

STEP 7a — In Column A, multiply the number entered on Line 5 by the tax rate of \$3 (Line 6) and enter the result on Column A, Line 7.

BTK has multiplied 10,140 (the number of vehicle-days) entered on Line 5 by \$3 (the tax rate listed on Line 6) to get \$30,420, which is entered in Column A, Line 7 (10,140 x \$3 = \$30,420).

STEP 7b — In Column B, multiply the number entered on Line 5 by the tax rate of \$15 (Line 6), and enter the result on Line 7.

BTK has multiplied 22 (the number of tour vehicle (8-25 passenger)-months) entered on Line 5 by \$15 (the tax rate listed on Line 6) to get \$330, which is entered in Column B, Line 7 (22 x \$15 = \$330).

STEP 7c — In Column C, multiply the number entered on Line 5 by the tax rate of \$65 (Line 6), and enter the result on Line 7.

BTK has multiplied 12 (the number of tour vehicle (26 or more passengers)-months) entered on Line 5 by \$65 (the tax rate listed on Line 6) to get \$780, which is entered in Column C, Line 7 (12 x \$65 = \$780).

		COLUMN A		COLUMN B		COLUMN C		
		Rental Motor Vehicle Surcharge Enter the Number of Rental Motor Vehicle Days		Tour Vehicle Surcharge Tax Enter the Number of Tour Vehicles (8-25 Passengers)		Tour Vehicle Surcharge Tax Enter the Number of Tour Vehicles (26 or More Passengers)		
LINE ORDER AND FORM VP-1 HERE •	1	OAHU DISTRICT	6,900	22	12	1		
	2	MAUI DISTRICT	3,240			2		
	3	HAWAII DISTRICT				3		
	4	KAUAI DISTRICT				4		
	5	TOTALS (Add lines 1 thru 4 of columns A, B, and C)	10,140	22	12	5		
	6	RATES	\$3	\$15	\$65	6		
	7	TAXES (Multiply line 5 by line 6 of columns A, B, and C)	30,420 00	330 00	780 00	7		
	8	TOTAL TAXES (Add line 7, columns A thru C, and enter here)			31,530 00	8		
	9	PENALTY				9		

fig. 3.1

FINISHING THE TAX RETURN (fig. 3.2)

STEP 8 — Add Columns A through C, Line 7, and enter the total on Line 8. This is the total tax due. **CAUTION: LINE 8 MUST BE FILLED IN.** If you do not have any rental motor vehicle or tour vehicle activity and therefore have no tax due, enter a zero (0) on Lines 8 and 17.

BTK has added \$30,420, \$330, and \$780 for a total of \$31,530 which is entered on Line 8.

STEP 9 — On Lines 9 and 10, add all the penalties and interest which have been assessed on taxes owed on the periodic tax returns for the taxable year.

STEP 10 — Add Lines 8, 9, and 10, and enter the result on Line 11.

STEP 11 — Add the total amount of rental motor vehicle and tour vehicle surcharge taxes paid with your periodic tax returns and any delinquency notices for the taxable year. Enter this amount on Line 12.

STEP 12 — Enter the amount of tax paid with any assessment notices for the taxable year on Line 13.

STEP 13 — Enter the amount of any penalty paid with your periodic tax returns, delinquency notices, or assessment notices for the taxable year on Line 14 in the space provided to the right of "Penalties \$."

STEP 14 — Enter the amount of any interest paid with your periodic tax returns, delinquency notices, or assessment notices for the taxable year on Line 14 in the space provided to the right of "Interest \$."

STEP 15 — Add the amount of penalty and interest paid, and enter the total on Line 14.

STEP 16 — Add the amounts on Lines 12 through 14, and enter the total on Line 15.

STEP 17 — Compare the amounts on Lines 11 and 15. If the amount on Line 11 is **THE SAME AS** Line 15, enter "0" on Line 17, and go on to Step 21 below.

If the amount on Line 11 is **LESS THAN** Line 15, subtract Line 11 from Line 15, and enter the result on Line 16 (this is your credit to be refunded to you), and go to Step 21 below.

STEP 18 — If the amount on Line 11 is **MORE THAN** Line 15, subtract Line 15 from Line 11 and enter the result on Line 17. This is your taxes now due and payable. Calculate penalty and interest on this amount if the annual return is filed after the due date. If you had no activity for the entire year, enter "0" on Line 17. Please note that this return must still be filed.

STEP 19 — If there is tax due on the return and you file and pay after the due date, then penalty is assessed at the rate of 5% per month, or part of a month, from the due date to the filing date, to a maximum of 25%. Interest is assessed at the rate of 2/3 of 1% per month, or part of a month, on the unpaid tax and penalty will be charged.

Enter the amounts for Penalty and Interest on Lines 18a and 18b, respectively. Add Lines 18a and 18b and enter the result on Line 18. If you are unable to compute the penalty and interest, leave Lines 18a and 18b blank. The Department will compute it for you and send you a bill.

STEP 20 — If you have taxes due now, add the amounts on Lines 17 and 18 and enter the result on Line 19.

STEP 21 — If you have an amount on Line 19, please enter the amount of payment to be remitted with this return on Line 20. If you are not making a payment, enter a zero (0).

• ATTACH CHECK OR MONEY ORDER	columns A, B, and C)		30,420	00	330	00	700	00			
	8	TOTAL TAXES (Add line 7, columns A thru C, and enter here)					8	31,530	00	8	
	9	PENALTY					9			9	
	10	INTEREST					10			10	
	11	TOTAL AMOUNT DUE (Add lines 8, 9, and 10; Enter amount here)					11	31,530	00	11	
	12	Total taxes paid on monthly, quarterly, or semiannual returns for the period.					12	31,530	00	12	
	13	Additional assessments paid for the period, if included above.					13			13	
	14	Penalties \$ 13 Interest 14 paid during the period.					14			14	
	15	TOTAL PAYMENTS MADE (Add lines 12, 13, and 14)					15	31,530	00	15	
	16	CREDIT TO BE REFUNDED (Line 15 minus line 11)					16			16	
	IF YOU DO NOT HAVE ANY ACTIVITY, AND THE RESULT IS NO TAX LIABILITY, ENTER "0" ON LINES 8 AND 17. THIS RETURN MUST BE FILED.					17	TOTAL TAXES DUE (Line 11 minus line 15)		17	00	17
	FOR LATE FILING ONLY →					18a	PENALTY		18		18
18b						INTEREST		19		19	
19	TOTAL AMOUNT NOW DUE AND PAYABLE (Add lines 17 and 18)					19			19		
ATTACH YOUR CHECK OR MONEY ORDER PAYABLE TO "HAWAII STATE TAX COLLECTOR" IN U.S. DOLLARS DRAWN ON ANY U.S. BANK AND FORM VP-1 TO FORM RV-3. WRITE "RV", THE FILING PERIOD, AND YOUR HAWAII TAX I.D. NO. ON YOUR CHECK OR MONEY ORDER.					20	PLEASE ENTER AMOUNT OF YOUR PAYMENT		20	00	20	

fig. 3.2

STEP 22 — Sign your tax return. The sole proprietor, a partner or member, corporate officer, or an authorized agent must sign; state his/her title; and write the date the return is signed.

fig. 3.3

Attach a check made payable to the **“HAWAII STATE TAX COLLECTOR”** in U. S. dollars to the tax return. Write “RV,” the filing period, and your Hawaii Tax I.D. No. on the check so that it may be properly credited to your account. Also complete the appropriate tax payment voucher (if you are using a preprinted form from your rental motor vehicle and tour vehicle surcharge tax return booklet, complete Form VP-1R for the appropriate filing period (CAUTION: do not submit a photocopy of Form VP-1R); if you are not using a preprinted form, complete Form VP-1). Attach your check or money order and the appropriate tax payment voucher where indicated on the front of Form RV-3. **DO NOT SEND CASH.**

Hawaii Department of Taxation
P.O. Box 2430
Honolulu, HI 96804-2430